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## Venezuela

**Post:** Caracas

### **Food prices should rise at least 30 percent**

**Report Categories:**

Agricultural Situation

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**Report Highlights:**

As a consequence of the currency devaluation that took place in Venezuela, local economists expect at least a 30 percent increase on food prices, according to media summaries.

**General Information:**

**Food prices should rise at least 30 percent**

Local economists warn that food prices should rise at least 30 percent. As a direct effect of the devaluation, the cost of all food products that depend on imported raw materials increased 21 percent. In addition, recently the world prices of key inputs such as wheat, sugar, fats, dairy, and grains and legumes have increased by nine to ten percent, further increasing costs of final goods.

Economists have said that although several inputs required by food companies can be bought abroad at an exchange rate of Bs. 2.60, there are some materials and equipment that are subject

to the newly created additional rate of Bs. 4.30 per dollar, which will mean a further increase in production costs.

Sources at the Ministry of Food have reported that the Government is evaluating adjustments in controlled prices for foods that require a significant component of imported inputs like wheat, oils, milk, grains, among others.

The Minister of Agriculture and Lands admitted that there will be an adjustment due to the devaluation of the Bolivar, but not as high. He added that the Government is checking which products will be imported at the exchange rate of Bs. 2.60 per US dollar, and which will be at Bs. 4.30 to evaluate any increase in controlled prices.

Source: Leading Dailies